

AMENDED IN ASSEMBLY MARCH 25, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 385**

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**Introduced by Assembly Member Harkey**

**(Coauthors: Assembly Members Donnelly, Grove, Hagman, Jones,  
Logue, and Wagner)**

**(Coauthor: Senator La Malfa)**

February 14, 2011

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~~An act relating to high-speed rail.~~ *An act to add Section 2704.77 to the Streets and Highways Code, relating to high-speed rail.*

LEGISLATIVE COUNSEL'S DIGEST

AB 385, as amended, Harkey. High-speed rail.

*Existing law, the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, general election, provides for the issuance of \$9.95 billion in general obligation bonds for high-speed rail and related purposes. Existing law, the California High-Speed Rail Act, creates the High-Speed Rail Authority to develop and implement a high-speed train system in the state, with specified powers and duties. Existing law requires the authority to approve and submit to the Director of Finance, a specified peer review group, the transportation policy committees and fiscal committees of the Legislature, a detailed funding plan for that corridor or a usable segment thereof of the high-speed train system. Existing law requires the funding plan to include certain information and meet specified requirements.*

*This bill would require the authority to approve an investment grade analysis, to be prepared by the State Auditor, and to submit that investment grade analysis to those same entities. The bill would require*

*that investment grade analysis to include certain information and meet specified requirements.*

~~Existing law creates the High-Speed Rail Authority, with various powers and duties relative to development and implementation of high-speed train service.~~

~~This bill would state the intent of the Legislature to enact legislation relative to the implementation of high-speed rail.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1    *SECTION 1. Section 2704.77 is added to the Streets and*  
2    *Highways Code, to read:*

3    *2704.77. Notwithstanding any other provision of law, the*  
4    *High-Speed Rail Authority created pursuant to Section 185020 of*  
5    *the Public Utilities Code, or its successor, shall have approved*  
6    *and submitted to the Director of Finance, the peer review group*  
7    *established pursuant to Section 185035 of the Public Utilities*  
8    *Code, and the policy committees with jurisdiction over*  
9    *transportation matters and the fiscal committees in both houses*  
10   *of the Legislature, an investment grade analysis, for the corridor*  
11   *or a usable segment thereof of the high-speed train system. The*  
12   *State Auditor shall prepare the analysis and submit that analysis*  
13   *to the authority.*

14    *The analysis shall include all of the following:*

15    *(a) Identification of the corridor, or usable segment thereof, in*  
16    *which the authority is proposing to invest bond proceeds.*

17    *(b) A description of the expected terms and conditions associated*  
18    *with any lease agreement or franchise agreement proposed to be*  
19    *entered into by the authority and any other party for the*  
20    *construction or operation of passenger train service along the*  
21    *corridor or usable segment thereof.*

22    *(c) The estimated full cost of constructing the corridor or usable*  
23    *segment thereof, including an estimate of cost escalation during*  
24    *construction and appropriate reserves for contingencies.*

25    *(d) The sources of all funds to be invested in the corridor, or*  
26    *usable segment thereof, and the anticipated time of receipt of those*  
27    *funds based on expected commitments, authorizations, agreements,*  
28    *allocations, or other means.*

1     (e) *The projected ridership and operating revenue estimate*  
2     *based on projected high-speed passenger train operations on the*  
3     *corridor or usable segment.*

4     (f) *All known or foreseeable risks associated with the*  
5     *construction and operation of high-speed passenger train service*  
6     *along the corridor or usable segment thereof and the process and*  
7     *actions the authority will undertake to manage those risks.*

8     (g) *Whether construction of the corridor or usable segment*  
9     *thereof can be completed as proposed in the plan.*

10    (h) *Whether the corridor or usable segment thereof would be*  
11    *suitable and ready for high-speed train operation.*

12    (i) *The extent to which the corridors include facilities contained*  
13    *therein to enhance the connectivity of the high-speed train network*  
14    *to other modes of transit, including, but not limited to, conventional*  
15    *rail (intercity rail, commuter rail, light rail, or other transit), bus*  
16    *auto or air and the level of expenditures needed to make them*  
17    *viable and cost effective.*

18    (j) *Over a 5-, 10-, 15-, 20-, and 25- year event horizon, a*  
19    *description of anticipated ridership, ticket prices, frequency of*  
20    *trains, and costs of maintenance, including how these prices would*  
21    *compare with other transportation modes from a cost perspective,*  
22    *and with a sensitivity to the environmental positives and negatives*  
23    *when compared to transportation modes of the future, such as*  
24    *future planes, automobiles, and buses based on anticipated*  
25    *developments. This analysis shall include the assumptions used to*  
26    *develop the projections and demonstrate that these assumptions*  
27    *have been carefully developed and evaluated to produce the highest*  
28    *levels of confidence.*

29    ~~SECTION 1. It is the intent of the Legislature to enact~~  
30    ~~legislation relative to the implementation of high-speed rail.~~